

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED AUGUST 31, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Soroptimist International of the Americas, Inc.  
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Soroptimist International of the Americas, Inc. (a nonprofit corporation), which comprises the statement of financial position as of August 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Soroptimist International of the Americas, Inc. as of August 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

The 2020 financial statements of Soroptimist International of the Americas, Inc. were audited by other auditors whose report dated April 9, 2021, expressed an unmodified opinion on those statements.

**Report on Supplementary Information**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2021 supplementary information appearing on pages 22 through 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2021 schedules of contributions and sponsorships on page 23 has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The 2020 schedules of contributions and sponsorships was subjected to the auditing procedures applied in the 2020 audit of the financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2020 financial statements as a whole.

We have not audited the 2021 supplementary Agency information on page 22. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it. The 2020 Agency information on page 22 was not subject to auditing procedures by other auditors, whose report on such information did not express an opinion or provide any assurance on it.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 3, 2022

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,470,656	\$ 3,897,380
Accounts Receivable	10,946	8,762
Pledges Receivable, Net	542,044	690,986
Inventory	142,358	89,733
Prepaid Expenses	137,396	153,093
Investments	11,963,017	8,782,953
Split-Interest Agreements	14,648	14,648
Property and Equipment, Net	1,185,007	1,229,215
Total Assets	\$ 16,466,072	\$ 14,866,770
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 646,296	\$ 836,001
Agency Funds	14,899	1,876
Deferred Revenue	1,724,914	1,938,076
Paycheck Protection Program Loan	150,000	301,500
Total Liabilities	2,536,109	3,077,453
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	2,047,323	899,087
Board Designated - Building Reserve	249,072	65,203
With Donor Restrictions	11,633,568	10,825,027
Total Net Assets	13,929,963	11,789,317
Total Liabilities and Net Assets	\$ 16,466,072	\$ 14,866,770

See accompanying Notes to Financial Statements.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Annual Dues	\$ 2,420,935	\$ -	\$ 2,420,935
Sales, Net of Cost of Sales of \$25,047	187,793	-	187,793
Contributions	1,360,652	845,843	2,206,495
In-Kind Contributions	449,983	-	449,983
Investment Return, Net	359,735	1,524,220	1,883,955
Loss on Disposal of Property and Equipment	(1,705)	-	(1,705)
Miscellaneous	1,802	-	1,802
Gain on Extinguishment of Paycheck Protection Program Loan	301,500	-	301,500
Net Assets Released from Restrictions	1,561,522	(1,561,522)	-
Total Revenue and Support	6,642,217	808,541	7,450,758
<b>EXPENSES</b>			
Personnel Costs	2,958,088	-	2,958,088
Grants and Other Assistance	357,590	-	357,590
Travel, Training and Meetings	12,485	-	12,485
Translation and Interpretation	180,116	-	180,116
Information Technology	348,999	-	348,999
Promotion and In-kind Advertising	492,721	-	492,721
Other Professional Services	227,495	-	227,495
Occupancy	65,333	-	65,333
Office Expenses	35,694	-	35,694
Insurance	133,301	-	133,301
Soroptimist International Dues	201,917	-	201,917
Dream Big Exposure	15,690	-	15,690
Depreciation	113,096	-	113,096
Fees and Other	167,587	-	167,587
Total Expenses	5,310,112	-	5,310,112
<b>CHANGES IN NET ASSETS</b>	1,332,105	808,541	2,140,646
Net Assets - Beginning of Year	964,290	10,825,027	11,789,317
<b>NET ASSETS - END OF YEAR</b>	\$ 2,296,395	\$ 11,633,568	\$ 13,929,963

See accompanying Notes to Financial Statements.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Annual Dues	\$ 2,696,015	\$ -	\$ 2,696,015
Convention and Meetings	194,400	-	194,400
Sales, Net of Cost of Sales of \$59,155	82,442	-	82,442
Contributions	1,555,505	668,983	2,224,488
Corporate and Foundation Philanthropy	-	10,000	10,000
In-kind Contributions	480,000	-	480,000
Miscellaneous	14,099	-	14,099
Investment Return, Net	218,836	419,615	638,451
Net Assets Released from Restrictions	504,420	(504,420)	-
Total Revenue and Support	5,745,717	594,178	6,339,895
<b>EXPENSES</b>			
Personnel Costs	3,235,013	-	3,235,013
Grants and Other Assistance	638,778	-	638,778
Convention	61,090	-	61,090
Travel, Training and Meetings	97,807	-	97,807
Translation and Interpretation	233,797	-	233,797
Information Technology	318,000	-	318,000
Promotion and In-kind Advertising	496,905	-	496,905
Other Professional Services	302,432	-	302,432
Occupancy	76,309	-	76,309
Office Expenses	92,756	-	92,756
Insurance	100,765	-	100,765
Soroptimist International Dues	200,924	-	200,924
Dream Big Exposure	27,043	-	27,043
Depreciation	123,590	-	123,590
Fees and Other	104,095	-	104,095
Total Expenses	6,109,304	-	6,109,304
<b>CHANGES IN NET ASSETS</b>	(363,587)	594,178	230,591
Net Assets - Beginning of Year	1,327,877	10,230,849	11,558,726
<b>NET ASSETS - END OF YEAR</b>	\$ 964,290	\$ 10,825,027	\$ 11,789,317

See accompanying Notes to Financial Statements.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2021**

	Program Activities						Supporting Activities			
	Program Services	Member Services	Governance	Soroptimist International	Convention and Meetings	Product Sales	Total Programs	Administration	Fundraising	Total
Personnel costs:										
Payroll and Payroll Taxes	\$ 446,205	\$ 581,491	\$ 313,330	\$ 86,491	\$ 269,423	\$ 92,613	\$ 1,789,553	\$ 270,910	\$ 587,321	\$ 2,647,784
Benefits	52,292	68,143	36,718	10,135	31,573	10,853	209,714	31,749	68,841	310,304
Total Personnel Costs:	498,497	649,634	350,048	96,626	300,996	103,466	1,999,267	302,659	656,162	2,958,088
Grants and other assistance	-	357,590	-	-	-	-	357,590	-	-	357,590
Travel, Training and Meetings	6	8	1,112	1	4	1	1,132	1,251	10,102	12,485
Translation and Interpretation	23,818	37,954	102,030	74	232	80	164,188	233	15,695	180,116
Information Technology	58,813	76,641	41,297	11,399	35,510	12,206	235,866	35,708	77,425	348,999
Promotion and In-kind Advertising	83,585	108,534	58,270	16,084	50,104	17,223	333,800	50,384	108,537	492,721
Other Professional Services	27,694	42,548	27,107	5,328	19,736	5,705	128,118	39,401	59,976	227,495
Occupancy	11,004	14,349	7,733	2,135	6,649	2,286	44,156	6,681	14,496	65,333
Office Expenses	5,944	7,276	5,853	957	3,176	1,025	24,231	2,999	8,464	35,694
Insurance	6,540	101,079	6,531	1,267	3,948	1,357	120,722	3,970	8,609	133,301
Soroptimist International Dues	-	-	-	201,917	-	-	201,917	-	-	201,917
Dream Big Expense	-	-	-	15,690	-	-	15,690	-	-	15,690
Depreciation	19,060	24,838	13,383	3,694	11,508	3,956	76,439	11,565	25,092	113,096
Cost of Products Sold	-	-	-	-	-	25,047	25,047	-	-	25,047
Fees and Other	15,860	45,838	11,818	3,078	9,584	3,295	89,473	11,850	66,264	167,587
Total Expenses by Function	750,821	1,466,289	625,182	358,250	441,447	175,647	3,817,636	466,701	1,050,822	5,335,159
Less Expenses included with Revenues on the Statement of Activities	-	-	-	-	-	(25,047)	(25,047)	-	-	(25,047)
Total Functional Expenses	\$ 750,821	\$ 1,466,289	\$ 625,182	\$ 358,250	\$ 441,447	\$ 150,600	\$ 3,792,589	\$ 466,701	\$ 1,050,822	\$ 5,310,112

See accompanying Notes to Financial Statements.



**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	Program Activities						Supporting Activities			
	Program Services	Member Services	Governance	Soroptimist International	Convention and Meetings	Product Sales	Total Programs	Administration	Fundraising	Total
Personnel costs:										
Payroll and Payroll Taxes	\$ 470,257	\$ 576,715	\$ 202,018	\$ 39,398	\$ 218,783	\$ 93,046	\$ 1,600,217	\$ 430,860	\$ 819,807	\$ 2,850,884
Benefits	63,363	77,707	27,220	5,308	29,479	12,537	215,614	58,054	110,461	384,129
Total Personnel Costs:	533,620	654,422	229,238	44,706	248,262	105,583	1,815,831	488,914	930,268	3,235,013
Grants and other assistance	534,570	103,708	-	-	-	-	638,278	-	500	638,778
Convention	-	-	28,713	-	30,548	-	59,261	-	1,829	61,090
Travel, Training and Meetings	2,049	2,513	71,012	172	7,658	406	83,810	2,180	11,817	97,807
Translation and Interpretation	47,874	18,965	76,007	1,296	36,834	3,060	184,036	14,168	35,593	233,797
Information Technology	63,853	61,568	21,567	4,206	23,356	9,933	184,483	45,997	87,520	318,000
Promotion and In-kind Advertising	80,889	102,101	34,014	6,633	36,836	15,666	276,139	82,736	138,030	496,905
Other Professional Services	35,669	56,766	18,207	2,522	22,611	5,956	141,731	45,405	115,296	302,432
Occupancy	12,587	15,437	5,407	1,055	5,856	2,491	42,833	11,533	21,943	76,309
Office Expenses	16,888	18,209	5,711	1,155	4,455	2,291	48,709	21,612	22,435	92,756
Insurance	-	100,765	-	-	-	-	100,765	-	-	100,765
Soroptimist International Dues	-	-	-	200,924	-	-	200,924	-	-	200,924
Dream Big Expense	-	-	-	-	-	-	-	-	27,043	27,043
Depreciation	20,386	25,001	8,758	1,708	9,485	4,034	69,372	18,678	35,540	123,590
Cost of Products Sold	-	-	-	-	-	37,518	37,518	-	-	37,518
Fees and Other	4,538	5,424	1,877	366	2,033	864	15,102	4,003	84,990	104,095
Total Expenses by Function	1,352,923	1,164,879	500,511	264,743	427,934	187,802	3,898,792	735,226	1,512,804	6,146,822
Less Expenses included with Revenues on the Statement of Activities	-	-	-	-	-	(37,518)	(37,518)	-	-	(37,518)
Total Functional Expenses	\$ 1,352,923	\$ 1,164,879	\$ 500,511	\$ 264,743	\$ 427,934	\$ 150,284	\$ 3,861,274	\$ 735,226	\$ 1,512,804	\$ 6,109,304

See accompanying Notes to Financial Statements.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 2,140,646	\$ 230,591
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	113,096	123,590
Discount on Pledge Receivable	32,665	197
Net Realized and Unrealized Gain on Investments	(1,711,376)	(458,686)
Forgiveness from Paycheck Protection Program Loan	(301,500)	-
Loss on Disposal of Property and Equipment	1,705	-
(Increase) decrease in:		
Accounts Receivable	(2,184)	(1,551)
Inventory	(52,625)	11,591
Prepaid Expenses	15,697	21,526
Pledges Receivable	116,277	(193,138)
Increase (decrease) in:		
Accounts Payable and Accrued Expenses	(189,705)	328,189
Agency Funds	13,023	(2,808)
Deferred Revenue	(213,162)	(64,221)
Net Cash Used by Operating Activities	(37,443)	(4,720)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(71,368)	(92,146)
Proceeds from Sales of Property and Equipment	775	-
Purchases of Investments	(11,895,720)	(1,018,716)
Proceeds from Sales of Investments	10,427,032	2,543,235
Net Cash Provided (Used) by Investing Activities	(1,539,281)	1,432,373
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program Loan	150,000	301,500
Net Cash Provided by Financing Activities	150,000	301,500
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,426,724)	1,729,153
Cash and Cash Equivalents - Beginning of Year	3,897,380	2,168,227
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,470,656	\$ 3,897,380

See accompanying Notes to Financial Statements.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 1 NATURE OF OPERATIONS**

Soroptimist International of the Americas, Inc. (SIA) (the Organization) is a global organization whose volunteer members empower women and girls through access to education. Since our founding in 1921, we have grown to include tens of thousands of Soroptimists in 19 countries and territories. Powered by our volunteer members, each of our nearly 1,200 clubs supports community-based and global projects benefiting women and girls. Since our signature Dream Programs began, we have helped more than 38,000 women and girls reach their goals. Program projects of the Organization include:

*The Live Your Dream: Education and Training Awards for Women* have provided over \$35 million in education cash awards to more than 35,000 women since its inception in 1972. Soroptimist invests in women's education because education is the pathway to economic empowerment and it has the potential to transform lives and communities. The *Live Your Dream Awards* assist women who provide the primary financial support for their families and face obstacles including poverty, teen pregnancy, and drug or alcohol addiction.

*Dream It, Be It: Career Support for Girls* has reached more than 73,000 girls across 14 countries and territories since the program launched in 2015. *Dream It, Be It* provides girls with access to professional role models, career education, and the resources to be happy, successful adults. Soroptimist clubs work with girls through a 7-session curriculum in small groups or a conference setting to give girls the tools they need to achieve their education and career goals and empowering girls to break cycles of poverty, violence, and abuse.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers short-term securities purchased with a maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are recorded at net realizable value. Management estimates the accounts to be fully collectible and therefore no allowance for bad debts has been recorded. Accounts receivable are written off when determined to be uncollectible based upon management's assessment of the individual accounts. Receivables are considered to be delinquent when they are 90 days past their due date.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventory**

Inventory consists of jewelry, supplies, and other items with the Organization insignia, and is stated at the lower of cost or net realizable values; cost is determined on the average costs basis.

**Pledge Receivable**

Unconditional promises to give are recognized as contribution revenue in the period received and as assets. Promises to give are recorded at present value, which is estimated as net realizable value if expected to be collected in one year and discounted future cash flows if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization evaluates the pledge receivable for collectability on an individual account basis.

**Investments**

Investments are stated at fair value which is determined by quoted market prices. Donated investments are recorded as contributions at fair value at the time of the donation. Net investment return comprises interest, dividends, realized and unrealized gains and losses net of external investment expenses. Realized gains and losses are computed using the specified identification cost method and recorded in the statement of activities.

**Property and Equipment**

Property and equipment are stated at cost. Items over \$1,000 considered to have useful life of longer than one year are capitalized. Depreciation is provided over the estimated useful lives of the respective assets and is calculated on the straight-line basis over the following useful lives:

Computer Software	3 Years
Computer Hardware	3 to 5 Years
Furniture and Fixtures	5 to 10 Years
Building and Improvements	30 Years

**Split-Interest Agreements**

The Organization has received a contribution in a charitable remainder unitrust.

Under the charitable remainder unitrust arrangement, the Organization is not the trustee and does not exercise control over the assets contributed to the trust; therefore, the Organization recognizes this arrangement as beneficial interest in a trust. The Organization has recorded as a beneficial interest the fair value of the beneficial interest based on the present value of the estimated future benefits to be received when the trust assets are distributed. The discount rate used in calculating the present value of these future benefits was 5%. Subsequent changes in fair value of the beneficial interest in the trust assets are recorded as changes in the value of split-interest agreements in net assets with donor restrictions.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Unconditional contributions are recognized when pledged and recorded as net assets without donor restriction or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. A contribution is conditional if a right of return or right of release exists as well as a barrier. The conditional contribution is recognized once the conditions have been met. Gifts of cash and other assets are reported with donor-restricted contributions if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions that are received and expended within the same fiscal year are reported as support with donor restrictions.

**Net Assets**

Net assets are categorized as follows:

*Net Assets without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for certain purposes by the board of directors. As of August 31, 2021 and 2020, the board of directors designated \$249,072 and \$65,203, respectively, for capital improvements or building emergencies.

*Net Assets with Donor Restrictions* - Net assets are subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**Revenue Recognition and Deferred Revenue**

The Organization applies the five-step revenue model under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (Topic 606) to determine when revenue is earned and recognized. Topic 606 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Annual membership dues are recognized over time over the applicable membership period. Membership dues collected in advance are recorded as deferred revenue. Mandatory fees, nondelegate registration, and other revenue including sponsorships related to the convention is recognized over time as the convention takes place and the services are provided to the attendees. Sales are recognized at a point in time when the product is shipped to the customer.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition and Deferred Revenue (Continued)**

The following tables show the Organization's deferred revenue activity for the years-ended August 31:

	2021		
	Annual Dues	Convention and Meetings	Total
Deferred Revenue – Beginning of Year	\$ 1,938,076	\$ -	\$ 1,938,076
Increase in Deferred Revenue Due to Cash Collections During the Year	2,088,313	119,460	2,207,773
Recognition of Revenue as Performance Obligations are Met	(2,420,935)	-	(2,420,935)
Total	<u>\$ 1,605,454</u>	<u>\$ 119,460</u>	<u>\$ 1,724,914</u>
	2020		
	Annual Dues	Convention and Meetings	Total
Deferred Revenue – Beginning of Year	\$ 2,002,297	\$ -	\$ 2,002,297
Increase in Deferred Revenue Due to Cash Collections During the Year	2,631,794	194,400	2,826,194
Recognition of Revenue as Performance Obligations are Met	(2,696,015)	(194,400)	(2,890,415)
Total	<u>\$ 1,938,076</u>	<u>\$ -</u>	<u>\$ 1,938,076</u>

**In-Kind Contributions**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In kind donations are recorded as contributions at their fair values at the date of donation. During the years ended August 31, 2021 and 2020, the Organization received \$448,513 and \$480,000, respectively, in donated services, all of which consisted of donated advertising services that directly benefited program activity. In addition, the Organization received \$1,470 in in-kind gifts during the year ended August 31, 2021. No in-kind gifts were received during the year ended August 31, 2020.

**Agency Funds**

The Organization receives funds from member clubs on behalf of other organizations, which it holds, and periodically makes remittances to them. These funds are not owned by the Organization nor does it exercise discretion over receipts or disbursements. Consequently, they are included as a liability on the statements of financial position. Receipts and disbursements of agency funds are not included in the statements of activities.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization follows the accounting guidance for uncertainty in income taxes using the Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not that the position will be sustained upon examination of the tax authorities. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties.

The Organization's federal tax return is subject to audit by taxing authorities. As of August 31, 2021, the Organization had no uncertain tax positions that qualify for either recognition or disclosure.

**Fair Value of Financial Instruments**

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lower priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

*Level 1* – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value of Financial Instruments (Continued)**

The following table represents the Organization's fair value hierarchy of financial instruments, excluding money market funds, measured at fair value on a recurring basis as of August 31:

	2021		
	Level 1	Level 2	Level 3
Mutual Funds	\$ 11,963,017	\$ -	\$ -
Split-Interest Agreements	-	-	14,648
Total Assets	<u>\$ 11,963,017</u>	<u>\$ -</u>	<u>\$ 14,648</u>
	2020		
	Level 1	Level 2	Level 3
Equities	\$ 5,999,161	\$ -	\$ -
Mutual Funds	162,117	-	-
Fixed Income	2,621,675	-	-
Split-Interest Agreements	-	-	14,648
Total Assets	<u>\$ 8,782,953</u>	<u>\$ -</u>	<u>\$ 14,648</u>

The following table provides quantitative information about the Organization's Level 3 fair value measurements:

Type of Assets	Fair Value at August 31, 2021	Fair Value at August 31, 2020	Principal Valuation Technique	Unobservable Inputs
Split-Interest Agreements	<u>\$ 14,648</u>	<u>\$ 14,648</u>	FMV of Trust Investments	Value of Underlying Asset

**Functional Expenses**

The Statement of Functional Expenses reports certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis as determined by management. The expenses that are allocated include personnel costs, depreciation, headquarters insurance, information technology, certain office and occupancy, professional services and other expenses, which are allocated on the basis of estimates of time and effort. Costs of the marketing and communication department are allocated based on the estimates of benefit received.

**Changes in Accounting Principles**

In August 2018, Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2018-13 Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. The ASU removes and modifies disclosure requirements retrospectively for nonpublic entities. The ASU is effective for fiscal years beginning after December 15, 2019. Application did not have a material impact on the Organization's financial statements.



**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reclassifications**

Certain amounts for the year ended August 31, 2020 have been reclassified to conform to current year presentation. The reclassifications had no impact on previously reported net assets.

**Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 3, 2022, the date the financial statements were available to be issued.

**NOTE 3 LIQUIDITY**

Financial assets available for general expenditure, within one year of the statement of financial position date comprise the following at August 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 2,470,656	\$ 3,897,380
Accounts Receivable	10,946	8,762
Pledge Receivable, Current	289,001	172,500
Investments	2,869,669	1,375,555
Less: Agency Funds	<u>(14,899)</u>	<u>(1,876)</u>
Total	<u>\$ 5,625,373</u>	<u>\$ 5,452,321</u>

The Organization's financial assets as of August 31, 2021 and 2020 are reduced by amounts not available for general use within one year of the statement of financial position date because of donor imposed restrictions. The Organization's policy is to maintain a minimum cash and cash equivalent balance to cover three months of operating expenses. Operating cash in excess of this amount may be invested in money market, fixed income and equity investments, with a 70% target allocation to a diversified portfolio of investment grade fixed income securities.

The Organization's endowment fund is subject to an annual spending rate of up to 10% (see Note 12) which may be used to supplement operating income.

**NOTE 4 CONCENTRATION OF CREDIT RISK**

The Organization maintains cash accounts that, at times, may exceed federally insured limits. The Organization has not experienced any losses from maintaining cash accounts in excess of federally insured limits.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 5 PLEDGES RECEIVABLE**

Pledges receivable due to be collected as of August 31 were as follows:

	2021	2020
Receivables in less than one year	\$ 289,001	\$ 172,500
Receivables in one to five years	289,408	355,448
Receivables in greater than five years	23,000	189,738
Subtotal	601,409	717,686
Less: Discount on Long-term Pledges and Allowance for Doubtful Accounts	(59,365)	(26,700)
Total	\$ 542,044	\$ 690,986

As of August 31, 2021 and 2020, the Organization used a discount rate of 2%, to calculate the present value of pledges receivable due to be collected beyond one year.

As of August 31, 2021, three donors including one Board member, accounted for approximately 41% of gross pledges receivables.

As of August 31, 2020, six donors including one Board member, accounted for approximately 83% of gross pledges receivables.

**NOTE 6 INVESTMENTS**

Investments are composed of the following as of August 31:

	2021	2020
Equities	\$ -	\$ 5,999,161
Mutual Funds	11,963,017	162,117
Fixed Income	-	2,621,675
Total Assets	\$ 11,963,017	\$ 8,782,953

Mutual funds of \$130,049 and \$162,117 as of August 31, 2021 and 2020, respectively, represent funds restricted for the former executive director's pension (see Note 10). A corresponding liability is included in accounts payable and accrued expenses.

The net realized and unrealized gains (losses) on investments are as follows for the years ended August 31:

	2021	2020
Net Realized Gain (Loss) on Sale of Securities	\$ 9	\$ (92,480)
Net Unrealized Gain	1,711,367	551,166
Total	\$ 1,711,376	\$ 458,686

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of August 31:

	2021	2020
Computer Software	\$ 139,920	\$ 133,907
Computer Hardware	210,312	189,537
Furniture and Fixtures	54,538	54,538
Building and Improvements	2,455,788	2,413,688
Total	<u>2,860,558</u>	<u>2,791,670</u>
Less: Accumulated Depreciation	(1,675,551)	(1,562,455)
Total Property and Equipment	<u>\$ 1,185,007</u>	<u>\$ 1,229,215</u>

Depreciation expense for the years ended August 31, 2021 and 2020 was \$113,096 and \$123,590, respectively.

**NOTE 8 PAYROLL PROTECTION PROGRAM LOAN**

In April 2020, the Organization received a loan in the amount of \$301,500 pursuant to the Paycheck Protection Program (PPP) administered by the United States Small Business Administration (SBA) and authorized by the Keeping American Workers Employed and Paid Act which is part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), enacted on March 27, 2020. The PPP was established to provide economic stimulus and funding to businesses affected by the COVID-19 pandemic. The PPP note is forgivable subject to the Organization meeting specific requirements related to the use of the funds and good-faith certification requirements related to eligibility for the loan. In order to receive the forgiveness of the loan, the Organization submitted a loan forgiveness application which was subject to review and approval by the bank and SBA. As of February 25, 2021, the Organization received full forgiveness of the loan and related interest which is recorded as gain on extinguishment of debt in the year ending August 31, 2021.

In January 2021, the Organization received a second draw PPP loan (PPP2) in the amount of \$150,000. The PPP2 loan bears interest at a rate of 1% per annum with the first 10 months of interest deferred, has a term of 5 years and is unsecured and guaranteed by the SBA. The principal amount of the PPP2 loan is forgivable subject to the Organization's request to the extent that the PPP2 loan proceeds were used to pay expenses permitted by the program. As of November 2, 2021, the Organization received full forgiveness of the loan and related interest which will be recorded as a gain on extinguishment of debt in the year ending August 31, 2022.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 9 NET ASSETS**

Net assets with donor restrictions during the years ended August 31 are available for the following as of August 31:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Charitable Remainder Unitrust	\$ 14,648	\$ 14,648
Disaster Fund	236,920	234,815
Legacy	30,880	-
Subject to time restrictions - Dream Big	542,044	667,799
Endowments subject to the Organization's endowment spending policy and appropriation	2,189,105	1,287,794
Subject to be held in perpetuity	8,619,971	8,619,971
Total	<u>\$ 11,633,568</u>	<u>\$ 10,825,027</u>

**NOTE 10 RETIREMENT PLANS**

The Organization provides a deferred contribution savings plan for its employees under Section 401(k) of the IRC. Employees may contribute a percentage of their salary, up to federal limits. The Organization matches employee contributions up to 3%. In addition, the Organization makes an additional contribution of 3% based on the employees' annual compensation. For the years ended August 31, 2021 and 2020, employer contributions to the plan were \$65,729 and \$135,465, respectively.

In addition, the Organization provides a supplemental pension plan for the former executive director under Section 457 of the IRC. The Organization made contributions to the plan of \$0- and \$12,000 for the years ended August 31, 2021 and 2020, respectively. Funds are maintained in a separate investment account and are included within investments on the statements of financial position. The balance in the accounts at August 31, 2021 and 2020 was \$197,520 and \$195,033, respectively.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 11 COMMITMENTS**

The Organization leases certain office equipment under operating leases expiring in 2024. Rent expense for the office equipment for the years ended August 31, 2021 and 2020 was \$21,617 and \$27,160, respectively.

The following is a schedule by year of future minimum rental payments required under the equipment operating lease that has a remaining noncancellable lease term in excess of one year as of August 31, 2021:

<u>Year Ending August 31,</u>	<u>Amount</u>
2022	\$ 6,264
2023	6,264
2024	5,742
Total	<u>\$ 18,270</u>

The Organization has also entered into commitments for various building and improvement initiatives for an amount approximating \$334,572. As of August 31, 2021, there is approximately \$294,572 outstanding on these commitments.

**NOTE 12 ENDOWMENT**

The Organization follows FASB Staff Position 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act* (UPMIFA) and *Enhanced Disclosures for All Endowment Funds* now incorporated in FASB ASC 958-205. The Commonwealth of Pennsylvania has not yet adopted the provisions of UPMIFA, but the Organization is required by FASB ASC 958-205 to disclose certain matters associated with its endowment fund. Endowment funds subject to FASB ASC 958-205 include all net assets with donor restrictions to be held in perpetuity, excluding beneficial interest in perpetual trusts, and the income generated by these endowment funds held in perpetuity, subject to donor restrictions. Management of the Organization does not consider any other funds, whether subject to expenditure for a specified purpose or board designated, to be subject to FASB ASC 958-205.

The Organization's endowment, known as the Restricted Reserve Fund, consists of donor-restricted endowment funds from which income is available for the general benefit of the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's board of directors has interpreted relevant law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, to the extent that there are no donor stipulations to the contrary. The Organization classifies as donor restricted net assets the original value of gifts donated to the donor-restricted endowment and the original value of subsequent gifts made to the donor-restricted endowment.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 12 ENDOWMENT (CONTINUED)**

Interest, dividends, and realized gains/losses earned on endowment funds with donor restrictions held in perpetuity are recorded as increases or decreases in net assets without donor restrictions. Unrealized gains/losses earned on endowment funds with donor restrictions held in perpetuity are recorded as increases or decreases in net assets with donor restrictions.

The Organization has adopted investment and spending policies for the endowment funds that attempt to provide a predictable stream of funding to supplement operating income while maintaining the purchasing power of the endowment funds. The Organization's practice is to permit spending from underwater funds depending on various factors, including the degree to which the fund is underwater, unless specifically prohibited by the donor or relevant laws and regulations.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with an donor-restricted endowment fund may fall below the level that the donor or state law requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies at August 31, 2021 and 2020.

**Return Objectives and Risk Parameters**

The risk measure of the portfolio is to have no loss in any quarter or consecutive down quarters of more than 10% to 15%. This risk figure is measured continuously and not over a market cycle. For practical purposes, this will be measured as decline in value from the last positive quarter. The total return should meet or exceed the total of the revenue target including the rate of inflation and fees. The specific asset allocation for this portfolio will be set by the investment manager and the Organization's board of directors. Allocation provisions will be reviewed on a regular basis and may be changed from time to time by the Organization's board of directors. In general, the ratio of equity funds to fixed income funds in the portfolio should approximate 80:20 for restricted funds, and 20:80 for unrestricted funds. These allocations may fluctuate within 10% at the discretion of the Investment Manager.

**Strategies Employed for Achieving Objectives**

The Restricted Reserve shall be invested in a portfolio of quality equity funds and fixed income funds which shall provide safety through diversification of investments and may reflect varying rates of return provided the overall rate of return is consistent with the risk that the Organization's board of directors is willing to accept.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

In order to meet program and operating goals, the Organization's board of directors may authorize withdrawals from the restricted reserves of up to 10% on an annual basis. A three-year rolling average of the portfolio's market value, using no less than six observations, shall be used as the basis for this calculation. The source of these withdrawals will be dividends, interest, and capital gains. The frequency and amount of each withdrawal will be determined by the chief operating and finance officer and communicated with the investment manager.

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 12 ENDOWMENT (CONTINUED)**

Change in endowment net assets for the fiscal years ended August 31:

	2021		
	Without Donor Restriction	With Donor Restriction	Total
Net Assets - Beginning of Year	\$ 538,781	\$ 9,907,765	\$ 10,446,546
Investment Return:			
Investment Income	111,132	-	111,132
Realized and Unrealized Gain	9	1,524,220	1,524,229
Total Investment Return	111,141	1,524,220	1,635,361
Appropriations for Operating Expenses	622,909	(622,909)	-
Net Assets - End of Year	<u>\$ 1,272,831</u>	<u>\$ 10,809,076</u>	<u>\$ 12,081,907</u>
	2020		
	Without Donor Restriction	With Donor Restriction	Total
Net Assets - Beginning of Year	\$ 432,614	\$ 9,488,150	\$ 9,920,764
Investment Return:			
Investment Income	198,647	-	198,647
Realized and Unrealized Gain/(Loss)	(92,480)	419,615	327,135
Total Investment Return	106,167	419,615	525,782
Net Assets - End of Year	<u>\$ 538,781</u>	<u>\$ 9,907,765</u>	<u>\$ 10,446,546</u>

**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**SCHEDULES OF AGENCY FUNDS (UNAUDITED)**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

		2021			
<u>Fund</u>	Beginning Balance	Contributions Received	Distributions	Ending Balance	
December 10th Appeal - Soroptimist International President's Appeal	<u>\$ 1,876</u>	<u>\$ 82,166</u>	<u>\$ (69,142)</u>	<u>\$ 14,900</u>	
		2020			
<u>Fund</u>	Beginning Balance	Contributions Received	Distributions	Ending Balance	
December 10th Appeal - Soroptimist International President's Appeal	<u>\$ 4,684</u>	<u>\$ 98,148</u>	<u>\$ (100,956)</u>	<u>\$ 1,876</u>	



**SOROPTIMIST INTERNATIONAL OF THE AMERICAS, INC.**  
**SCHEDULES OF CONTRIBUTIONS AND SPONSORSHIPS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>2021</u>	<u>2020</u>
Unrestricted Contributions:		
Founders Pennies	\$ 160,177	\$ 176,718
Club Giving	526,459	684,302
Program Support	101,342	175,818
Legacy/Bequests	66,332	6,200
Unrestricted Support	<u>537,122</u>	<u>512,467</u>
Total Unrestricted Contributions	1,391,432	1,555,505
 Donor Restricted Contributions:		
Dream Big Campaign	542,011	359,803
Dream It Be It	35,918	50,804
Live Your Dream Awards	234,795	198,690
Disaster Recovery	<u>2,339</u>	<u>59,686</u>
Total Donor Restricted Contributions	<u>815,063</u>	<u>668,983</u>
 Subtotal	2,206,495	2,224,488
 Corporation and Foundation Philanthropy	<u>-</u>	<u>10,000</u>
 Total Contributions	2,206,495	2,234,488
 Other:		
In-Kind Revenue - Marketing	448,513	480,000
In-Kind Revenue - Other	<u>1,470</u>	<u>-</u>
 Total Contributions and Sponsorships	<u><u>\$ 2,656,478</u></u>	<u><u>\$ 2,714,488</u></u>